

Page Denied

Next 3 Page(s) In Document Denied

U.S.-Bahamian Relations Are Straining Under Drug

By REGINALD STUART

Special to The New York Times

NASSAU, the Bahamas — Relations between the United States and the Bahamas are being strained by a growing controversy over the conduct of American law-enforcement agents in the Bahamas who are seeking to bring charges against Americans suspected of drug and tax violations here.

Prime Minister Lynden O. Pindling and other top Bahamian officials have responded with outrage in recent weeks to news reports in the United States that Federal agents this summer proposed an operation involving a Bahamian Cabinet minister to trap violators and reports that members of the Pindling Government had accepted bribes to ignore illegal drug operations. Some top American officials have denied the allegations.

In interviews, the Prime Minister and Paul L. Adderly, Bahamian Minister for External Affairs, charged that American agents had violated the sovereignty of the Bahamas by operating covert drug and tax investigations without the consent of the Bahamian Government.

They also charged that the disclosure of reports that Bahamian officials were involved in these illegal schemes was part of an effort to discredit and destabilize the Pindling government.

'Conspiracy' Is Charged

"We believe there is a conspiracy here, directed against the Government of the Bahamas and the Prime Minister in particular," said Mr. Adderley, who is also the country's Attorney General.

Although neither the American Ambassador nor State Department officials would comment on the situation, top officials of the Drug Enforcement Administration denied conducting any operations in the Bahamas without the knowledge and approval of Bahamian officials.

"It is completely false and a violation of D.E.A. procedure for agents to operate within the Bahamas, even in Bahamian airspace, without notification to Bahamian authorities," said Frank Monastero, the drug agency's assistant administrator for operations. "The Bahamians have been totally cooperative, so in any event, there would have been no reason to operate there without telling them."

House Hearings to Be Held

Meanwhile, in the United States, a group from the House Foreign Affairs Committee is scheduled to hold hearings Wednesday in Washington on cocaine trafficking operations based in the Bahamas. The conduct of American investigations here will be a subject of the hearings, said the panel's chairman, Representative Edward F. Feighan, Democrat of Ohio.

The Bahamians themselves concede that their nation's strict bank secrecy laws may make it an attractive place for people, many of them believed to be Americans, who seek to avoid paying taxes on their legal and illegal income. They also concede that their nation, 700 islands that run from the Straits of Florida to Haiti in the Caribbean, has been used as a major refueling and transfer point for smugglers carrying drugs to the United States from South America. American officials have long suspected that the source of much drug money is being hidden by movement through Bahamian banks.

Bahamian officials estimate that \$144 billion of all foreign assets held by American banks are on deposit in banks in the Bahamas and the Cayman Islands. They also estimate that more than 90 percent of the cocaine coming into the United States is routed through the Bahamas.

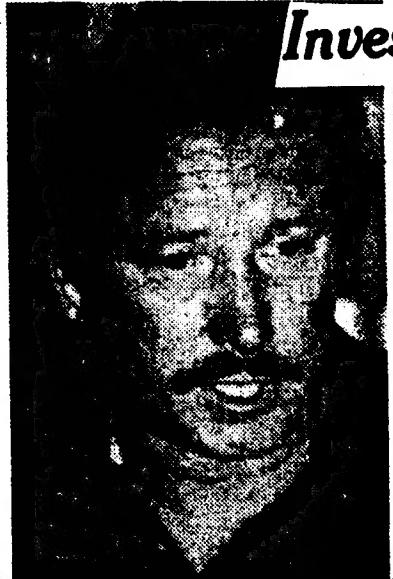
Congressional testimony indicates that Federal law-enforcement agencies have become increasingly frustrated in their efforts to slow this illegal traffic, and they place some of the blame on the Bahamian Government, which in turn contends that the drug and tax evasion problems are the problems of the United States.

Most Recent Incident

The latest strain on relations between the United States and the Pindling Government followed an NBC News television report this month about drug trafficking in the Bahamas.

An NBC News reporter, quoting what he said was a Justice Department intelligence report, said Prime Minister Pindling and other top officials of the Bahamian Government were reported to have been paid bribes to ignore a suspected multimillion-dollar smuggling operation reportedly involving a purported associate of Robert L. Vesco, an American financier who is a fugitive.

Investigations



The New York Times / Reginald Stuart

Tilton Lamar Chester Jr., a professional pilot who says he covertly flew U.S. drug agents to Bahamas.

According to the NBC News report, Carlos Enrique Lehder Rivas, a Colombian cocaine wholesaler who was thought to be an associate of Mr. Vesco, was suspected of paying Mr. Pindling and other members of his Government as much as \$100,000 a month to ignore Mr. Lehder's drug operation on Norman's Cay, an island in the Exumas chain.

Mr. Vesco and Mr. Lehder both lived on the island in the late 1970's. In 1980 Mr. Vesco was declared "undesirable" by the Bahamian Government and was expelled. His whereabouts are unknown.

In Washington, John C. Lawn, deputy administrator of the Drug Enforcement Agency, and Mr. Monastero said that information for the NBC News report on alleged bribery was not contained in a Justice Department intelligence report but in a computerized file on Mr. Lehder, which included it as just one unsubstantiated allegation received about him.

Mr. Lehder, now considered a fugitive, was indicted in 1981 by a Federal grand jury in Jacksonville, Fla., in connection with a cocaine ring in north Florida.

Interview With Ambassador

The NBC News report included an interview with Lev Dobriansky, the American Ambassador to the Bahamas, who said he quashed a recent plan by the Federal Bureau of Investigation to lure an influential Bahamian official

onto a boat, take him to international waters and try to get him to accept a bribe. All of it was to be filmed by the F.B.I., Mr. Dobriansky said.

Mr. Dobriansky told NBC News that one reason he stopped the F.B.I. plan was that "it might upset delicate negotiations with the Bahamians over a U.S. Navy submarine testing base in the Bahamas."

"This can be very embarrassing," he said. "It could, naturally would be, and it could be very destabilizing. When you look at the total picture, I mean, our relations with the Bahamas is not solely in the drug area. There are many other things which over the long pull would be more important than the drug."

Mr. Monastero said there was no plan to offer the official a bribe on the boat.

The D.E.A. officials said the inquiry in which the official's name came up had nothing to do with the F.B.I. Rather, they said, it was in connection with an undercover operation that the Miami office of the D.E.A. and the Internal Revenue Service had considered running as a means of investigating money laundering in the Bahamas. But Ambassador Dobriansky, whose permission was sought, stopped the investigation, which would have involved setting up a phony bank to trap money launderers, they said.

Other incidents that have contributed to the controversy include these:

A declaration by Mr. Adderley, the Bahamian Foreign Minister, that he had not authorized American officials to proceed with the widely publicized "Operation Grouper," a charge denied by American officials. Operation Grouper was a Drug Enforcement Administration undercover operation staged from May 1979 to March 1981 that resulted in the arrest of 155 "high-level managers" of marijuana businesses in New York, California, Florida, Maine, Georgia, Louisiana and Puerto Rico.

An attempt by a former Assistant United States Attorney in Houston, Frank Robin Jr., to sell Justice Department documents to a lawyer representing Tilton Lamar Chester Jr., the subject of a grand jury narcotics investigation. According to a transcript of tape recordings played in court, Mr. Robin told Jeffrey Bogart of Atlanta, Mr. Chester's lawyer, that the documents he was offering to sell could prevent his client from going to trial because they showed violations of laws governing the conduct of American investigative agents abroad. The tapes were played at the trial of Mr. Robin, who was convicted on Federal bribery and obstruction of justice charges last month in Atlanta. The contents of the documents, described as "sensitive," were not disclosed during the trial.

Statements by Mr. Chester, a professional pilot, in three recent interviews that he had flown Federal drug enforcement agents to the Bahamas from the United States without the knowledge of the Bahamian authorities. Federal drug officials deny this, saying Mr. Chester would not have been in a position to know whether proper procedures had been followed.

A finding by a Federal District Court in Atlanta that Government lawyers and other Federal employees had released unauthorized information to the news media about grand jury proceedings in Houston and Atlanta that related to pursuits here of suspected tax evaders and drug smugglers. The Government did not contest the finding.

Said to Have Cooperated

The drug agency, in a statement issued at the end of Operation Grouper, acknowledged the cooperation of the Bahamian authorities. But Mr. Adderley said in an interview that he had no record of giving final approval to the United States officials.

"Grouper was a major investigation, but only a small part of it had to do with the Bahamas," Mr. Lawn said. "We wouldn't notify the Bahamas about the whole operation, just the part in the Bahamas."

Rear Adm. Donald C. Thompson, southeast regional coordinator for the recently organized National Narcotics Border Interdiction System, said he was "not aware of significant problems" between the United States and the Bahamas over drug investigations. "But it's sort of difficult sometimes to always make sure we're in constant contact," he said. "Whether there are glitches from time to time, I'm not going to comment on that."

Admiral Thompson coordinates the drug interdiction activities of the Coast Guard, Customs Service, Central Intelligence Agency, F.B.I., Immigration and Naturalization Service, Defense Intelligence Agency and Federal Aviation Administration. His agency is the offspring of the Vice President's Southern Florida Task Force on drug interdiction.

Another area of friction between the American and Bahamian authorities is in banking. The American Government has made it no secret that it feels the Bahamians have not responded satisfactorily to American demands for more cooperation on bank secrecy, asserting there is a strong tie between illegal drugs and money laundering.

Last March, Lowell Jensen, a top official of the Justice Department, testified before the Senate Permanent Subcommittee on Investigations that the department intended to get tough with countries with bank secrecy laws that did not accommodate the United States.

The Bahamians also have tight secrecy laws on the ownership of businesses. Such information is not required to be a matter of public record but Mr. Adderley said that in the one instance when United States officials requested access to records from Bahamian courts, it was granted.

Another obstacle is that because the Bahamas have no taxes, there are no tax laws to be broken. Bahamian officials have been resistant for decades to accommodating other nations in cases where no Bahamian laws have been broken.